
HOUSE BILL 3258

State of Washington

60th Legislature

2008 Regular Session

By Representatives Chase and Hasegawa

1 AN ACT Relating to providing an annual distribution to retired and
2 terminated vested members of the public employees' retirement system
3 plan 3, the school employees' retirement system plan 3, and the
4 teachers' retirement system plan 3; and adding a new section to chapter
5 41.34 RCW.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 41.34 RCW
8 to read as follows:

9 (1) On January 1, 2009, and on January 1st of each year thereafter,
10 the member account of a retired or terminated vested member meeting the
11 requirements of this section shall be credited by an amount equal to
12 ten dollars, which shall be increased by three percent per year rounded
13 to the nearest cent, multiplied by the member's service credit total on
14 August 31st of the previous year.

15 (2) Retirees and terminated vested members of the public employees'
16 retirement system plan 3, the school employees' retirement system plan
17 3, and the teachers' retirement system plan 3 whose most recent date of
18 separation from service is on or before June 30, 2008, for members of
19 the public employees' retirement system plan 3, or on or before August

1 31, 2008, for members of the school employees' retirement system plan
2 3 and the teachers' retirement system plan 3, who did not retire with
3 a benefit pursuant to RCW 41.32.875(3)(b), 41.35.680(3)(b), or
4 41.40.820(3)(b); and who also meet the criteria in subsection (3) of
5 this section are eligible for the benefit provided in subsection (1) of
6 this section.

7 (3) A member is eligible for the benefit in subsection (1) of this
8 section if the member meets the requirements of subsection (2) of this
9 section and is either:

10 (a) In receipt of a benefit pursuant to RCW 41.32.875, 41.35.680,
11 or 41.40.820; or

12 (b) Is a retiree pursuant to RCW 41.34.020(8), and who:

13 (i) Completed ten service credit years;

14 (ii) Completed five service credit years, including twelve service
15 months after attaining age fifty-four; or

16 (iii) Completed five service credit years in plan 2 before
17 transferring to plan 3.

18 (4) The amount credited to each plan 3 account in subsection (1) of
19 this section shall be transferred from the retirement system plan 2 and
20 3 fund in which each year of eligible service was earned.

21 (5) For purposes of subsection (1) of this section, a retiree or
22 terminated vested member that reenters membership after July 1, 2008,
23 for members of the public employees' retirement system plan 3 or
24 September 1, 2008, for members of the school employees' and teachers'
25 retirement systems plan 3, shall use their most recent retirement or
26 separation date for determining eligibility under subsection (1) of
27 this section.

28 (6) The additional contributions to member accounts in this section
29 are intended by the legislature as replacement benefits for gain-
30 sharing. Until there is legal certainty with respect to the repeal of
31 chapter 41.31A RCW, the right to receive these additional contribution
32 amounts is noncontractual, and the legislature reserves the right to
33 amend or repeal this section. Legal certainty includes, but is not
34 limited to, the expiration of any: Applicable limitations on actions;
35 and periods of time for seeking appellate review, up to and including
36 reconsideration by the Washington supreme court and the supreme court
37 of the United States. Until that time, eligible members may still
38 receive additional contributions under this section, and upon each

1 receipt of a January 1st distribution under this section that
2 distribution becomes contractual for the recipient. If the repeal of
3 chapter 41.31A RCW is held to be invalid in a final determination of a
4 court of law, and the court orders reinstatement of gain-sharing or
5 other alternative benefits as a remedy, then the additional
6 contributions to member accounts under this section shall cease.

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